BOMBAY ACT No. LVI OF 1950.[1]

[THE BOMBAY CHARGED EXPENDITURE ACT, 1950.]

[*23rd December 1950*]

Amended by Bom. 2 of 1952.

An Act to amend certain enactments and to provide that certain expenditure shall be charged on the Consolidated Fund of the State.

WHEREAS it is expedient to amend certain enactments and to provide that certain expenditure incurred by the State Government shall be charged on the Consolidated Fund of the State ; It is hereby enacted as follows :—

Short title and commencement.

1. (*1*) This Act may be called the Bombay Charged Expenditure Act, 1950.

(*2*) It shall be deemed to have come into force on the 1st day of April 1950.

2-4. [*Amendments made by sections 2 to 4 have been incorporated in the Bombay Motor Vehicles Tax Act, 1935 (Bom. XXXIV of 1935), the Bombay Famine Relief Fund Act, 1936 (Bom. XIX of 1936) and the Bombay Sugarcane Cess Act, 1948 (Bom. LXXXII of 1948.)*]

Expenditure incurred on account of guarantee and payments to the Bagalkot Cement Company to be charged on the Consolidated Fund of the State.

5. (*1*) (*a*) Subject to and in accordance with the terms of the agreement dated the 23rd March 1949 made between the Governor of Bombay (hereinafter called the State Government) and the Bagalkot Cement Company, Limited (hereinafter called the Company) and the other parties specified in the said agreement and sanctioned by the State Government, by the Government Resolution (Education and Industries Department) No. 7989, dated the 26th March 1949,

(*b*) and subject also to such modifications as may from time to time lawfully be made in the terms of the said agreement, not being inconsistent with the following provisions of this sub-section,

the State Government shall for a period of five years from the date of the first allotment of the shares of the Company, guarantee to all the ordinary share-holders of the Company a dividend at the rate of three per cent. per annum on the ordinary shares held by them and shall pay to the Company on behalf of and as a trustee for such ordinary share-holders every year such amount as may be necessary to enable the Company to distribute to its ordinary share-holders a yearly dividend at the rate of three per cent. per annum on the total subscribed ordinary share-capital of the Company not exceeding the face value of rupees one crore :

Provided that in no event shall the amount payable by the State Government to the Company under the said guarantee exceed the aggregate sum of rupees fifteen lakhs for the said entire period of five years.

(*2*) Any expenditure incurred by the State Government under sub-section (*1*) shall be charged on the Consolidated Fund of the State.

[1] For Statement of Objects and Reasons, *see Bombay Government Gazette*, 1950, Pt. V, pp. 409-410,

Expenditure incurred on account of guarantee and payment to a Housing Finance Society to be charged on Consolidated Fund of the State.

[1][**5A.** (*1*) Subject to the provisions of the Bombay Co-operative Societies Act, 1925, and subject also to such conditions as are specified in sub-section (*2*) and such other conditions as may by general or special order be specified by the State Government, the State Government— Bom. VII of 1925.

(*a*) shall guarantee to all the shareholders of a society which has been approved by the State Government in this behalf, a dividend at the rate of three and half per cent. per annum on the subscribed share capital not exceeding the face value of rupees one crore and the repayment of such share capital to the shareholders of such society; and

(*b*) shall pay to such society on behalf of and as a trustee for such shareholders every year such amount as may be necessary to enable such society to distribute to its shareholders a yearly dividend at the rate of three and half per cent. per annum on the subscribed share capital not exceeding the face value of rupees one crore as aforesaid and also such amount as may be necessary at any time to enable such society to repay to its shareholders such share capital.

(*2*) The conditions which a society has to satisfy shall be that—

(*i*) its subscribed share capital shall not exceed the face value of rupees one crore;

(*ii*) its object shall be to finance housing societies in the State of Bombay.

(*3*) Any expenditure incurred by the State Government under a guarantee given under sub-section (*1*) shall be charged on the Consolidated Fund of the State.]

Repeal of Bom. XIII of 1939.

6. The Bombay Charged Expenditure Act, 1939, is hereby repealed. Bom. XIII of 1939.

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[1] This section was inserted by Bom. 2 of 1952, s. 8.